



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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Legislative Fiscal Analyst  
CLAYTON SCHENCK

DATE: September 28, 2006

TO: Legislative Finance Committee

FROM: Taryn Purdy

RE: Review of Select Approved New Proposals for the 2007 Biennium

At its June meeting, the Legislative Finance Committee (LFC) requested an update on the status of major new initiatives approved by the 2005 Legislature. The following table provides this update.<sup>1</sup>

The information in the table provides the following, by subcommittee and agency.

- 1) Initiative – This column includes a descriptive name of the initiative, including the funding level and source.
- 2) Intent – If the agency stated what it intended to accomplish, and/or if the legislature made its expectations known, they are stated; otherwise more detailed information is provided on funding specifics.
- 3) FTE – FTE added are listed here.
- 4) Results – If anticipated outcomes were articulated, they are compared to actual results when possible; otherwise, results of expenditure are noted (including when FTE were hired).

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<sup>1</sup> This report will be updated at the meeting to include the Office of Public Instruction.



## 2007 Biennium New Initiative Update Section A

### Legislative Branch

Initiative	Intent*	FTE	Outcome
DP 101 SB 525 - established Quality Schools Interim Committee to assess the educational needs of MT children (\$200,000 general fund)	<ol style="list-style-type: none"> <li>1) Assess the educational needs of children in the elementary and secondary schools in MT;</li> <li>2) Determine the total costs of providing the basic system of free quality public elementary and secondary schools;</li> <li>3) Determine the state's share of the total costs of basic system of free quality public elementary and secondary schools; and</li> <li>4) Construct a funding formula.</li> </ol>	N/A	<ol style="list-style-type: none"> <li>1) Not included as part of the review completed by the committee;</li> <li>2) Committee endeavored to determine the costs of providing a free quality education. They did not determine a final number;</li> <li>3) The committee constructed a funding formula which calculated the state's share of total costs of basic system of free quality education; and</li> <li>4) The committee constructed a funding formula. A special session was called in December to increase funding to the school system. The funding formula which was devised by the committee was not used in the special session.</li> </ol>

### State Auditor

Initiative	Intent*	FTE	Outcome
DP 400 & 401 HB 667 - Small Business Insurance Pool and Business Health Insurance Credit ( Insure Montana ) ( \$12.75 million in state special revenue funds)	<ol style="list-style-type: none"> <li>1) Create Small Business Health Insurance Pool Board of Directors;</li> <li>2) Create a small business health insurance pool for employers with 2 – 9 employees;</li> <li>3) Provide for employer premium assistance payments;</li> <li>4) Provide for employee premium assistance payments; and</li> <li>5) Provide for tax credits for small businesses already providing insurance for employees.</li> </ol>	<p>1.00 FTE Small Employer Insurance Manager hired – 8/05</p> <p>2.00 FTE HB667 Eligibility Technicians hired - 12/05</p>	<ol style="list-style-type: none"> <li>1) Board members appointed 7/7/2005 Rules governing program adopted 9/05;</li> <li>2) January 2006 began providing insurance to qualifying businesses with 2 – 5 employees; August 2006 expanded to 2 – 9 employees; 320 businesses ensured as of 9/1/06;</li> <li>3) December 2005 established employer premium assistance payments amounts for qualifying businesses, businesses must pay 0.5 of the employees premium, the program pays 0.5 of the employers premium or 25 percent of the cost of the premiums to the employer;</li> <li>4) December 2005 established employee premium assistance payments for qualifying businesses. Employees pay for the other half of their premiums and the additional cost of adding spouses or families to their coverage. Employees receive premium assistance through Insure Montana for a portion of their premiums based on their annual family income; and</li> <li>5) January 2006 began providing business tax credits to eligible businesses. Total business tax credits issued in FY 2006 \$1,780,330.</li> </ol>

## Department of Transportation

Initiative	Intent	FTE	Outcome
Integrate department financial and management systems (\$448,304 state special revenue)	Begin a long-term project to integrate the department's management systems used for resource and project planning and scheduling, and financial planning, monitoring, and administration.  (note: no benchmarks were articulated by either the legislature of the agency)	2.00 FTE Financial Specialist (filled) 1.00 FTE Computer Systems Analyst (vacant) 1.00 FTE Operations Research Analyst (filled) 2.00 FTE not yet classified of which 1.00 FTE begins in FY 2007 (1.00 FTE vacant)	<ul style="list-style-type: none"> <li>Project cost accumulation system from the mainframe to an Oracle based application underway and due complete by the end of FY 2007</li> <li>Work done on defining business processes for project resource planning and fund obligation</li> <li>High-level structure has been established for common coding with implementation lowered in priority</li> <li>Elevated the priority of indirect cost allocation plan</li> </ul>
Assume caretaker, janitorial services, and basic maintenance of 10 city park rest areas (\$150,000 state special revenue)	1) Address maintenance backlogs and fund operations at six inactive city park rest areas in: Malta, Fort Belknap, Harlowton, Twin Bridges, Plentywood, and Chester; and 2) Operate rest areas in four communities in which the 10-year obligation of the community will expire in the 2007 biennium: Roundup, Big Sandy, Whitefish, and Ennis	N/A	<ul style="list-style-type: none"> <li>Site needs review conducted, needs identified, and work plan and reimbursement method workout by MDT and local entities</li> </ul>
Implement a rural transportation management center (\$900,000 federal special revenue – OTO)	Analyze options and develop a rural transportation management center  (note: no benchmarks were articulated by either the legislature of the agency)	N/A	<ul style="list-style-type: none"> <li>A contracted requirements analysis is in progress to research roadway condition reporting</li> <li>Participating in a consortium of states along I-90 and I-94 to influence standards development for sharing, coordinating, and integrating traveler information across state borders (Northwest Passage Corridor Pooled Fund Study)</li> <li>Partnering with the Montana Highway Patrol and the Northern Tier Interoperability Communications Consortium to improve communication capabilities</li> <li></li> </ul>
Transportation corridor studies (\$75,000 state special revenue and \$300,000 federal special revenue – OTO)	Evaluate the existing transportation system within and along specific corridors and identify how the system could be improved to meet existing and long-term needs  (note: no benchmarks were articulated by either the legislature of the agency)	N/A	Corridor study of U.S. 93 from Lolo to Missoula nearly completed and analysis is in progress with public information available at: <a href="http://www.mdt.mt.gov/pubinvolve/us93corridor">www.mdt.mt.gov/pubinvolve/us93corridor</a> and a final report expected this fiscal year

## Department of Revenue

Initiative	Intent	FTE	Outcome
Collect delinquent income taxes owed to the state (\$253,584 general fund)	<p>1) Move collection of delinquent income taxes from a contracted function to a state employee run function; and</p> <p>2) Report to the 2007 General Government and Transportation Joint Appropriations Subcommittee on costs and annual collections of the function.</p> <p>Department testimony indicated that \$1.2 million of delinquent income taxes would be collected annually.</p>	<p>2.00 FTE collection technician (filled)</p> <p>1.00 FTE data processing clerk (filled)</p>	\$2.97 million in delinquent income tax debt has been collected in FY 2006 and the first two months of FY 2007
Fund additional staff and operating costs for additional income and corporate tax compliance (\$1,120,000 general fund)	Generate \$1.1 million in FY 2006 and \$2.3 million in FY 2007 from noncompliant taxpayers	<p>6.00 FTE auditors</p> <p>1.00 FTE attorney</p> <p>1.00 FTE administrative support</p> <p>(all FTE were originally hired, turnover has resulted in 2 positions being vacant – estimate filling by 10/15/06)</p>	\$2.6 million has been collected in FY 2006 and the first two months of FY 2007 (\$2.1 million collected in FY 2006 compared to goal of \$1.1 million)
Develop a program for reappraising agricultural and forest land (\$570,663 general fund)	Begin to develop a system, gather data, and reclassify all Montana agricultural and forest land by December 31, 2008	<p>1.00 FTE GIS analyst (filled) and 3.50 FTE GIS technicians funded only for FY 2007</p> <p>(1.00 FTE funded for FY 2006 was filled, 3.50 FTE funded to begin in FY 2007 are vacant but in recruiting)</p> <p><b><u>Problem recruiting</u></b> a GIS application developer (an existing agency position) after 3 postings impacts project and now efforts are to contract for this work</p>	<ul style="list-style-type: none"> <li>o August 1, 2005- began reappraisal of agricultural land</li> <li>o March 1, 2006 - forest land reappraisal began</li> <li>o June 30, 2006 - contracted with the University of Montana (UM) College of Forestry and Conservation to develop a forest productivity model</li> </ul>

## Department of Administration

Initiative	Intent	FTE	Outcome
Continuing development of Montana Spatial Data Infrastructure (\$1,414,000 federal special revenue)	Complete four of ten layers of the Montana Spatial Data Infrastructure: transportation, critical infrastructure, geodetic control, and jurisdictional boundaries  (note: no benchmarks were articulated by either the legislature of the agency)	N/A	<ul style="list-style-type: none"> <li>Activity was delayed until June 2006 when an assistance agreement with the Bureau of Land Management was approved</li> <li>Projects underway in cooperation with Park, Stillwater, and Flathead Counties to contract for acquisition of updated GPS coordinate positions on monuments of the Public Land Survey System and updates to the BLM geographic coordinate database</li> </ul>
Montana Land Information Act to develop a standardized, sustainable method to collect, maintain, and distribute information in digital formats about the natural and man-made land characteristics of Montana (\$2.1 million state special revenue)	1) Establish a GIS coordination function within the department; and 2) Establish processes and procedures for granting earmarked funds to state, local, and tribal entities.  (note: no benchmarks were articulated by either the legislature of the agency)	1.00 FTE computer information system manager (filled) 1.00 FTE computer programmer (filled)	<ul style="list-style-type: none"> <li>April 2006 –administrative rules hearings for administering the Montana Land Information Act</li> <li>No grants awarded in FY 2006, but the cadastral, transportation, and critical infrastructure databases were maintained and efforts were initiated to coordinate state GIS information</li> <li>First formal grant cycle expected to start in January 2007</li> </ul>
General fund support and staff expansion for public safety communications program (\$600,000 general fund with a reduction of \$416,914 federal special revenue)	Address workload experienced in public safety communications system planning to develop standards to implement interoperable public safety communications systems used by state, local, and federal entities in Montana  (note: no benchmarks were articulated by either the legislature of the agency)	2.00 FTE computer system analysts (filled)	Added 2.00 FTE to an existing function and switched funding all existing staff and functions in the Public Safety Services Office from federal special revenue to general fund Working to provide interoperability of Montana public safety radios  <ul style="list-style-type: none"> <li>No significant milestones reported</li> </ul>
State contribution for a portion of costs of the Northern Tier Interoperability Project (\$3.5 million general fund – OTO)	Improve communications between local law enforcement, state and federal governments, and tribal authorities by providing interoperable digital voice and data radio capabilities along the Montana/Canada border  (note: no benchmarks were articulated by either the legislature of the agency)	N/A	Developed specifications for a master control site with equipment being manufactured and staged for delivery in October 2006 with installation to follow (includes a ten-year maintenance agreement)
Workload impacts of SB 274 to revise licensing requirements of mortgage brokers (\$114,490 state special revenue)	Administer the revised requirements of SB 274 for licensing of mortgage brokers  (note: no benchmarks were articulated by either the legislature of the agency)	0.75 FTE in FY 2006 plus additional 0.25 FTE in FY 2007 expanded FTE for existing and filled positions	<ul style="list-style-type: none"> <li>Ten additional entity/sole proprietor licenses have been issued because of SB 274</li> <li>\$35,283 restitutions were collected for Montana borrowers</li> <li>\$20,000 civil penalties collected and deposited into the general fund</li> <li>Two licenses have been revoked</li> </ul>

## Judiciary

Initiative	Intent*	FTE	Outcome
Information Technology (\$1.095 million, OTO)	Purchase software licenses, continue implementation of Full Court Case Management System	None	Full Court implemented in courts of limited jurisdiction accounting for 98% of the caseload, installation in 2 more courts of limited jurisdiction scheduled, 13 limited courts have declined installation, software will not be installed in 7 limited courts with very low caseloads, also implemented in 4 <sup>th</sup> Judicial District (Missoula/Mineral), the branch projects implementation in up to 7 judicial districts by the end of FY 2007
New judgeship – Judicial District 18 (\$428,092 general fund)	Additional judge in Judicial District 18 (Gallatin County)	2.00 FTE in FY 2006, increasing to 4.00 in FY 2007	New judge assumed office January, 2006, three staff hired in mid-January, 2006. The branch currently estimates that the district will have about 878 cases per judge in calendar year 2006, a reduction the per judge caseload from 1,499 in 2005 and 1,362 per in 2004, total case filings estimated at 2,636 in 2006 and were 2,999 in 2005 and 2,725 in 2004
Accelerate Water Adjudication (\$833,380 state special revenue)	Accelerate the adjudication of water rights within Montana	6.50 FTE in FY 2006 increasing to 7.00 in FY 2007	Additional office space and remodeling necessary prior to/in conjunction with expansion of staff, staff hired: deputy clerk 10/31/05; 1 water master and 1 law clerk 1/4/06; 1 law clerk 4/3/06; 1 water master 6/30/06; 1 law clerk 8/21/06; recruitment underway for another deputy clerk but court is experiencing difficulty in recruitment for that position; training of staff continues, training of some staff to the level necessary for them to work without close supervision is expected to take a year or more.

## Department of State Public Defender

Initiative	Intent*	FTE	Outcome
New statewide public defender system (\$14,661,846 general fund, partially offset by adjustment to county entitlement share payment)	Implement a new statewide system for the provision of public defender services in district courts and courts of limited jurisdiction	5.50 FTE in FY 2006 increasing to 90.25 in FY 2007	New system of public defense operational as planned on July 1, 2006. The Office of Public Defender anticipates a funding shortfall of about \$3.3 million for the biennium and plans to employ 192.75 FTE when fully implemented in FY 2008, Legislative Finance Committee appointed “mini-bulldog” to follow up and report in October, 2006 on issues related to this agency.

## Governor's Office

Initiative	Intent	FTE	Outcome
DP 334 - Marketing Montana and Business Recruitment Program (\$600,000 in general funds)	Marketing Montana and business recruitment program Develop goals , objectives, and performance indicators Submit interim reports to LFC on personal services, institutional advertising, website activity, travel, trade show activity, target research, promotional materials, and telecommunications of the marketing Montana and business recruitment program	1.00 FTE hired before biennium started	<p>Report on program due to LFC July 31, 200, received September 22, 2005 Updated on February 24, 2006 Report on program due to LFC July 1, 2006 not yet received. Should be here by week of October 1.</p> <p>An overall goal for the program is not articulated in the report. However, staff does state that the goal of the program is to expand, retain, and create jobs for Montanans. The overall performance measure selected was creation of 750 new jobs from marketing and recruitment activity.</p> <p>Personal Services – staff hired prior to start of biennium. Institutional advertising – contracted for advertising in 2 national magazines subscribed by businesses identified through targeted research as desirable. Magazines feature Montana in articles at the same time Website - Updated for economic development. Web portal, Montana Means Business, developed in testing phase, should go live end of the year Travel – Staff of both the Marketing Montana and Business Recruitment Program and Economic Development Office conducted visits to 102 local economic development organization, met with all 8 tribal governments, several Boards of County Commissioners, and many Chamber of Commerce staff to determine what the economic development issues were in each community in Montana Legislature Out of state travel occurring mainly in the next year as the office identified which trade shows have the potential of yielding business recruitment to Montana. Overseas missions - conducted 2, 1 in FY 2006 and 1 August 2006. August 2006 joint trade mission to Korea and China with Congressman Rehberg. Joint effort resulted in a contract for Montana business, several other possibilities continue to be explored; Trade show activity – attended several shows within Montana such as Made in Montana, attended national real estate trade show in FY 2006. Attending same in FY 2007, this time with a booth to attract visitors, identified trade shows in FY 2007 to attend in the areas identified through targeted research. Targeted research – identified 6 business areas in which Montana has a competitive advantage. They include bioscience, aerospace, information technology, agriculture, energy, and remediation and restoration (Montana Environmental Consortium). Economic Development Office contracted for 2006 directory of Montana Bioscience Alliance. Directory publishing etc. costs paid through advertising, distribution paid by office. Promotional materials – redesigned and produced brochures, letterhead, business cards, and miscellaneous materials, completed, brochures being distributed. Telecommunications – office maintains 1- 800 number which is published in both advertising and promotional materials.</p>

## Governor's Office (continued)

HB 769 - Rail Service Competition Council (\$100,000 in state special revenue)	<ol style="list-style-type: none"> <li>1) Promote rail service competition at reasonable rates;</li> <li>2) Develop a comprehensive and coordinated plan to increase rail service competition in MT;</li> <li>3) Reevalue the state's railroad taxation practices to ensure reasonable competition while minimizing transfer of tax burden;</li> <li>4) Develop various means to assist Montanans impacted by high rates and poor rail service;</li> <li>5) Analyze the feasibility of developing legal structures to facilitate the growth of producer transportation investment cooperatives and rural transportation infrastructure authorities;</li> <li>6) Provide advice and recommendations to the Department of Transportation for the department's rail planning activities;</li> <li>7) Coordinate efforts and develop cooperative partnerships with other states and federal agencies to promote rail service competition. Act as the state liaison in working class I railroad service competition.</li> </ol>	N/A	<ol style="list-style-type: none"> <li>1) Not yet completed;</li> <li>2) Hired contractor, studied competition issues and potential solutions, report issued 8/14/06;</li> <li>3) Formed subcommittee 8/14/06 to evaluate taxation;</li> <li>4) Formed subcommittee 8/14/06 to develop strategies to gain rail capacity and increase competition;</li> <li>5) Not yet started;</li> <li>6) Formed subcommittee 8/14/06 to develop advice and recommendations; and</li> <li>7) Not yet started.</li> </ol>
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## 2007 Biennium New Initiative Update

### Section B - DPHHS

#### Human and Community Services

Initiative	Intent	FTE	Outcome
DP 708 – fund Energy Ombudsman work (\$300,00 per year, General Fund OTO)	Support case management staff at Human Resource Development Councils to assist individuals seeking emergency energy assistance	0.00	Funds were divided equally between ten HRDCs for staff to assist those in need and coordinate community-wide efforts of assistance, as well as education and information disbursement, consultations, financial and installation assistance for items ranging from furnaces to weatherization kits. More than 50,000 people were reached through informational activities, and nearly 1,300 individuals or families received direct support.
DP 719 - implement provisions of bills related to I-149 (\$209,500 across GF, SSR & Federal)	Support FTE for HB 522 (Medicaid Asset Limit) 3.0 FTE; HB 667 (Insurance) 1.0 FTE	4.00	HB 667 – 1.0 FTE was not filled due to slow start-up of the insurance program.  HB 552 – 3.0 FTE were hired (2 in May and 1 in August) as regular eligibility determination examiners. Data collected to determine the number of families served due to the increase in the asset test indicates that as of the end of August there has been a net increase of 66 children.
DP 717 - implement the provisions of HB 529 addressing family stabilization (\$749,000 per year Federal authority)	Pass up to \$100 of the amount collected in Child Support for families enrolled in TANF on to the families and disregard that amount in determining TANF income and eligibility.		For FY 2006, \$515,500 of the \$749,000 appropriation was expended, and 3,088 families benefited from the pass through legislation for an average of \$73.00 each.
DP 712 - Adult basic education services (\$125,000 per year Federal Funds)	Support adult basic education services throughout the state		The program was not quickly launched, but three grants were awarded for a biennial amount of \$224,704 to Chief Dull Knife College, Missoula County Public Schools ABE program, and Hardin Public Schools. Reporting requirements for the awards have just been established and reports have not yet come in.
DP 718 - revising exemptions for Public Assistance related to SB 29 (\$0.8 m Federal Funds)	Support costs associated with exempting individuals convicted of a felony drug offense from eligibility for food stamps (\$333,000) or TANF (\$71,148)		The fiscal note identified 222 clients in the data system that were disqualified for TANF or the Food Stamp program based upon drug related felony issues. Present data systems do not accommodate a sort for eligible individuals added back in after the July 1st start-up date. Anecdotal reports from caseworkers indicate that many individuals successfully reapplied.

## Child and Family Services

Initiative	Intent	FTE	Outcome
DP178 – Social Services Stipend Program (\$1.2 m Federal IV-E funds) 1 program with the U of M + Tribal IV-E contracts with Salish Kootenai College and the Crow Tribe	Federal authority Pass through to provide stipends for social workers to obtain bachelor or master degrees in social work.		CFSD staff presently contracts only with U of M. Since 1999, 18 individuals have enrolled and graduated. The program has not produced large numbers of graduates in social work, but the course design provides them with a thorough understanding of what is expected of them, and according to anecdotal data, once employed in Montana, the rate of retention is high. (Exact statistics on work placement and retention were not available at the time of this writing.) The department transfers excess authority through BCDs to Foster Care benefits.
<b>Technology Services Division – Prog. 09</b>			
DP 719 – implement components of HB 552 and HB 667 (\$0.3 m across all funds)	Support the implementation of the activities related to HB 552 (asset tests) and HB 667 (Insurance pools)		General fund and state special revenue for both of these bills were unused at year end relative to the implementation of the bills, and were reverted. The department transferred the federal authority to general operations in support of system update needs.

## Director's Office

Initiative	Intent	FTE	Outcome
DP 188 HIFA Waiver (\$14.52 million in federal revenues)	Refinance 100 percent state funded services by including those services and persons eligible for services in the state Medicaid program including Mental Health Services Plan (MHSP) and the Montana Comprehensive Health Association. Add physical health benefit and refinance prescription costs for .66 of MHSP Expand premium assistance program or raise premium assistance Add services for up to 300 children with serious emotional disturbances transitioning to adult services Expand CHIP coverage with Medicaid funding Assist low-income working adults transitioning off Medicaid Partnership with employers of premium assistance Ensure cost neutrality of proposal over the 5 year period of the waiver	N/A	DPHHS has submitted the HIFA waiver to CMS for approval. CMS has contacted DPHHS staff with questions and will continue to examine the waiver for approval

## Director's Office (continued)

DP 189 Waiver of Deeming (\$100,000 state special revenue funds)	Allow DPHHS to exclude parental income and assets in determination of Medicaid eligibility of a child with a serious emotional disturbance. +	N/A	DPHHS is not pursuing a waiver of deeming for children with a serious emotional disturbance, the department currently administers 2 waivers of deeming for physically disabled children and developmentally disabled children already in place prior to the 2007 biennium.
DP 3602 Tribal Programs (\$52,000 in general fund, \$52,000 in federal revenues and \$500,000 reduction in federal Medicaid revenues due to savings from program implementation.)	Develop expertise on tribal organization and tribal funding Provide technical assistance to access federal Medicaid pass-through for allowable costs	1 FTE 1/06	Met with all 7 federally recognized tribes, and Little Shell band to develop contractual changes to the IHS agreements which would expand the use of federal IHS funding and reduce the need for Medicaid funding. Currently tribes and IHS assessing changes for personal care attendant reimbursements. State staff examining reimbursement of IHS facilities through PDCS for pharmacy drugs shifting the costs from state funded Medicaid to 100% federally funded Medicaid. Also working to increase billing of services using CHIP for dental and eyeglasses

## Developmental Disability Program

DP 39 – address requirements of the Travis D lawsuit settlement. (\$2.2 m Federal)	Support the move of 26 individuals from MDC into community services; support community training, provide crisis funds, & community construction start-up.		The department has moved 26 individuals into the community, and will move all individuals from MDC's Unit 16AB into the community by Dec. 2006, and close the unit.  Community training and crisis funds are in place, and construction start-up funds were awarded to communities taking MDC individuals.
DP 83 – Wait List Reduction (\$2.3 million General Fund + Federal)	Move 15 individuals off the developmental disabilities waiting list		Five individuals have been moved into the community, and 15 more will be moved by the end of December 2006.
DP 700 – extended employment “follow along” and “sheltered” work services (\$210,000 General Fund)	To serve 60 individuals on the waiting list for “follow along” and 10 for “sheltered” work services		10 clients were served in the “sheltered” word services in the communities of Missoula, Helena, Great Falls and Billings, and 60 clients received services from 18 providers located throughout the state.
DP 707 – Part C, Early Intervention (\$90,000 general fund)	Serve up to 18 children, 0 – 3 years, that are on the waiting list for Family Education and Support Services (FES)		There was an increase of 25 individuals from FY 2005 – 2007. The department identified 10 “new” children who were served by 5 of 7 providers whose offices or satellite offices serve areas across the state, and 15 served with federal funds.
DP 715 – Medicaid Pilot program for SB 443, a Medicaid savings account for unexpended benefits (\$32,000 Special Rev.)	Support a pilot program to have 50 individuals on HCSB Waiver Services save a portion of their unexpended benefits for future use. The goal is to enroll the clients and track the program use and impact through 2011. The pilot period is 7/1/05 – 1/1/2011		The pilot is just starting in Region II (Great Falls, Choteau, Havre area). Case workers include the Healthcare Savings Plan in the Personal Support Planning (PSP) meeting with the clients. Initial discussion reveals that there is little money left over after clients have selected service, and little understanding of the culture of savings. Managers hope that clients will better understand the concept as they revisit their PSPs, identify the services they like best, and talk about funding them for the future.
DP 713 – Direct Care Worker Wage Increase (\$4.3 million GF, SSR, Federal)	Support an increase in the Direct Care Worker salary benchmark to the 35 <sup>th</sup> percentile.		Depending upon the wages before DP 713, increases ranged from a few cents to \$3.00 per hour. The lowest average wage plus benefits before I-149 funds was \$8.16 per hour. The lowest amount after the increase was \$10.05 per hour. The appropriation did not ease the high rate of turnover and number of vacancies that still exist in direct care worker positions throughout the state. In addition to an analysis of a “cost of doing business” provider survey, the department is working to address this issue via the development of a direct care worker training, skill development and career path curriculum.

## Public Health and Safety Division

Initiative	Intent	FTE	Outcome
I-146 DP 3111 Dedicated 32% of all tobacco settlement funds received after June 30, 2003 to a state special revenue account. The funds from this account are to be used for a statewide tobacco prevention program. (\$8.66 million in state special revenue, \$167,058 in federal revenues)	<ol style="list-style-type: none"> <li>1) Incorporate brief tobacco cessation counseling using U.S. public health 5 a's approach in other department programs;</li> <li>2) Incorporate quit line information in mailings to recipients of state-supported programs;</li> <li>3) Encourage Medicaid providers to incorporate brief tobacco cessation counseling into office visits and tracking programs;</li> <li>4) Provide training to providers and ancillary staff on 5 a's approach;</li> <li>5) Chart stamps to document tobacco use and a's approach;</li> <li>6) Chart audits to health care providers beginning with large providers;</li> <li>7) Eliminate Medicaid copayment for nicotine replacement therapy;</li> <li>8) Extend the limit for Medicaid-funded nicotine replacement therapy coverage;</li> <li>9) Allow persons to obtain nicotine replacement therapy directly from the quit line;</li> <li>10) Explore whether quit line services provided to Medicaid-eligible people are an allowable Medicaid cost for federal financial participation; and</li> <li>11) Encourage all state departments to incorporate smoking cessation policies.</li> </ol>	<p>2.00 FTE</p> <p>Advertised 5 times</p>	<ol style="list-style-type: none"> <li>1) MTUPP has collaborated with the Cardiovascular Health and Diabetes Section to promote cessation counseling through the primary care practices that the Diabetes Program is working with across the state. MTUPP has also collaborated with the Women's and Men's Health Section and the Oral Health Program in the Family and Community Health Bureau to promote cessation counseling and services through family planning clinics and dental offices in Montana.</li> <li>2) No</li> <li>3) In FY 2006, MTUPP mailed an educational package to all licensed physicians and dentists in Montana that included information on the state-of-the-art regarding cessation counseling and information promoting the utilization of the Montana quit line. Additionally, MTUPP contracted to provide onsite education (and continuing medical education credits) to physicians and their staff promoting cessation counseling and the quit line. Thirty-nine onsite visits were performed in FY 2006.</li> <li>4) Contractor provided this training through the onsite visits, as well as through hospital grand rounds, and other events.</li> <li>5) Provided chart stamps to contractor.</li> <li>6) No</li> <li>7) No</li> <li>8) No</li> <li>9) A four-week supply of NRT is available to persons enrolling in the quit line program, who either do not have insurance or whose insurance does not cover NRT. Over 80 percent of enrolled callers in FY 2006 received NRT from the quit line.</li> <li>10) No</li> <li>11) MTUPP is working currently to develop a policy for DPHHS that would promote that meetings and conferences sponsored by DPHHS programs would be conducted in totally smoke free facilities. If adopted by DPHHS, we will promote that this policy be adopted by all state agencies. MTUPP is also developing additional policies that the DPHHS and all state agencies could adopt (e.g., comprehensive cessation services provided through state insurance, smoke free state campus.</li> </ol> <p>In addition, MTUPP:</p> <ol style="list-style-type: none"> <li>1) Contracted with 41 counties, 8 tribes and 4 urban Indian center to provide tobacco use prevention services in communities providing 54 tobacco prevention specialist.</li> <li>2) Provided funding to AMDD to provide evidence-based community and youth-based services and interventions</li> <li>3) Contracted with a program working with Montana youth.</li> <li>4) Funded an agreement with OPI to implement Tobacco Prevention and Education program in schools</li> <li>5) Contracted to provide tobacco prevention at colleges and universities.</li> <li>6) Developed cooperative administration and enforcement of tobacco related laws and taxes.</li> </ol>

## Public Health and Safety Division (continued)

<p>DP 124 Fully Implement Emergency Preparedness (\$2.05 million in federal revenues)</p>	<ol style="list-style-type: none"> <li>1) Continuous testing, improvement and upgrading of local, regional, and state plans, protocols, equipment and existing local, regional, state, and federal response systems;</li> <li>2) Strengthen state and local-level food and water borne illness investigation, and response capabilities;</li> <li>3) Enhance active and passive surveillance in cooperation with local public health agencies and health care providers to provide early identification of public health threats;</li> <li>4) Continue development of laboratory capacity for adequate response to chemical terrorism;</li> <li>5) Expand technological capacity of the state, county, and tribal public health system to better support both routine and emergency operations at the local level;</li> <li>6) Continuing public health and emergency preparedness training to hone skills of state and local public health personnel in the areas of advanced incident command systems, use of communication and information technology, conducting and using the results of preparedness drills and exercises, and understanding legal issues in emergency preparedness; and</li> <li>7) Improve hospital surge capacity in beds, personnel, isolation, quarantine, personal protective equipment, decontamination, pharmaceuticals, trauma, mental health, transportation, and communications.</li> </ol>	<p>6.00 FTE Food safety laboratory scientist 8/6/06 Administrative Support 9/17/05 1.00 Laboratory Chemist 8/6/05 1.0 Public Health Planner 8/6/05, left 9/17/05 rehired 2/27/06 left 6/10/06 vacant due to lost federal funding 1.00 Health Program Specialist for communicable disease monitoring 8/6/05 1.00 Environmental Public Health Tracking Program specialist never filled.</p>	<ol style="list-style-type: none"> <li>1) Reviewed and refined 57 state, local, and tribal response plans. Facilitated and participated in preparedness exercises conducted in each 57 local/tribe jurisdictions. Evaluation of routine public health functions. Updating 2004 preparedness assessments, complete 12/06.</li> <li>2) Disease investigations tested through formal exercises, web based system for county reporting incidence to state developed and implemented, 5 workshops on agro terrorism conducted with over 50 county sanitarians trained</li> <li>3) Process to solicit disease reports from 350 local health providers and 70 labs at least weekly. Monitoring visits to E.R.s in hospitals is in place in 2 facilities with expansion on other facilities being implemented. Monitoring school absenteeism being implemented.</li> <li>4) Developed capability to conduct onsite prescreening of specimens for chemical, radiological and explosive hazards. Upgrading testing capabilities to allow for in-house testing of chemical agents.</li> <li>5) Software applications in process of development. Pilot project for reporting communicable disease implemented in several counties with some diseases. Working to expand to all counties, all diseases. HAN system now on satellite. Testing of system conducted continuously.</li> <li>6) Training provided in basic and advanced epidemiology, disease and outbreak investigation techniques, risk communication, agro-terrorism, incident command structures and national incident management system.</li> <li>7) Allocated preparedness funds to over 50 hospitals. Developed regional planning structure among hospitals. Developed implementation plan for state-wide registry of health staff. Chempacks to 8 regional hospitals. Developing distribution methods.</li> </ol>
<p>DP 160 Early Childhood Comprehensive System Grant (\$200,000 in federal funds)</p>	<p>Develop strategy to link federal funding at the state or local level. Focus areas outlined in the grant are:</p> <ul style="list-style-type: none"> <li>o Medical home</li> <li>o Mental health and social emotional development</li> <li>o Early care and education</li> <li>o Parent education</li> <li>o Family support</li> </ul>		<p>As of September 06 Developed strategic plan to implement 3 top priorities – early care and education, parental education Held 9 community forums Determined school readiness effective early intervention outcome Received grants for readiness summit which was conducted in June Applied for implementation grant Focused on medical home expansion to include general practitioners and family practice physicians Developing mental health services for child care settings</p>
<p>DP 3137 License/Regulate Body Piercing/Tattooing SB 137 (\$34,750 in state special revenues)</p>	<p>Develop licensing process for tattooing and body piercing establishments Establish rules regarding standards for sanitation and safety, licensing, enforcement procedures, and fees Enforce injunctions, civil actions, prosecution, and civil and criminal penalties for violations of tattooing and body-piercing laws Deny or cancel licenses Inspect and investigate establishments</p>		<p>As of 9/06 the department has developed a process for tattooing establishments. Rules are undergoing legal review, should be filed 9/25/06 Conducted plan reviews and on-site inspections of establishments to allow for licensure once rules are effective December 11,2006</p>

## Quality Assurance Division

Initiative	Intent	FTE	Outcome
DP 190 Medicaid Payment Error Rate Measurement \$(6.0 FTE, \$289,804 in general fund, \$289,804 in federal revenues, reduction of \$1 million in state general fund for program savings.	Implement new Medicaid Payment Error Rate Program (PERM) Hire FTE to perform retrospective reviews of Medicaid eligibility and medical necessity for services.	8.0 FTE Not hired	PERM interim federal rule adopted. CMS changed methodology for determining error rate and hired a national contractor to determine the payment error rates for each state on three year rotating cycle. Montana will be reviewed in 2008 by national contractor to determine state specific error rate. As funds are restricted for PERM exclusively, no FTE hired or funding expended.
DP 3210 Implement Medical Marijuana Act Initiative 148 (.25 FTE, \$30,936 in state special revenue funds)	<ol style="list-style-type: none"> <li>1) Department of Public Health and Human Services shall:</li> <li>2) Establish a program for issuance of registry identification cards to persons who have been deemed by their physician to have a debilitating medical condition;</li> <li>3) Establish a program for issuance of registry identification cards to caregivers named by qualifying patients;</li> <li>4) Maintain a confidential list of people issued registry cards; and</li> <li>5) Report annually to the legislature the number of application for registry identification cards, the number of qualifying patients and caregivers approved.</li> </ol> <p>The nature of the debilitating medical conditions, the number of registry identification cards revoked, the number of physicians providing written certification for qualifying patients.</p>	N/A	<ol style="list-style-type: none"> <li>1) Quality Assurance Division implemented the issuance of registry identification cards 01/05;</li> <li>2) Established program for issuance of cards to caregivers 01/05;</li> <li>3) Began to maintain list of people issued cards 01/05; and</li> <li>4) Report sent to Legislative Council 09/06.</li> </ol>

## Addictive and Mental Disorders Division

Initiative	Intent	FTE	Outcome
DP 70 – Regional Staff and Operating (\$97,500 federal authority in FY 2006; match provided from general fund supporting Mental Health Services Plan)	Provide field staff to work directly with providers to perform quality assurance and program monitoring; to provide technical assistance explaining DPHHS rules and expectations; legislators added language conditioning the appropriation so that 2.00 of the new FTE would work on the development of community crisis services, which was identified as the most significant need in mental health services	3.00 in FY 2006; 5.00 total in FY 2007	FTE have been hired; however, the FY 2006 FTE were not on board until half way through the year; LFD staff will be reviewing documentation provided by DPHHS staff (and as required in HB 2) regarding specific work tasks and outcomes for the new FTE
DP 3708 – Develop Home and Community Based Waiver (\$2.1 million total funds – state Medicaid match from tobacco funds)	Add 105 service slots for community based services for adults with a serious and disabling mental illness who meet nursing home level of care criteria		Waiver proposal submitted for federal approval; although waiver was estimated to be up and running by January 1, 2007, it might be delayed, pending federal action; the agency did not request funding to continue the waiver in the 2009 biennium; the state match for the waiver is funded from tobacco taxes

## Senior and Long Term Care

Initiative	Intent	FTE	Outcome
DP 95 – Montana Veterans' Home Contingency (\$250,000 from tobacco taxes earmarked for veterans' services)	Provide flexible funding if federal and resident contributions were insufficient to fund MVH operating costs, especially as increases might be related to difficulty in recruiting and retaining staff		\$90,000 of the \$250,000 contingency was expended; staffing issues remain challenging for MVH  HB 2 included reporting requirements for another appropriation related to MVH staff recruitment and retention, which were stricken by the Governor. The LFC requested updates on the FTE and staff have followed up on the request.
DP 3609 – Direct care worker wage increase (\$13.7 million in general fund, tobacco state special revenue, and federal Medicaid funds over the biennium)	Provide funding to support up to \$1 an hour direct care worker wage increase		Funds were allocated to skilled nursing facilities and community based providers specifically to fund direct care worker wage increases; LFD staff will undertake a more thorough analysis of wage increases granted and maintained as part of budget analysis; since the legislature funded direct care worker wage increases for Medicaid and foster care providers, this issue will be approached in a global manner  HB 2 included reporting requirements, which were stricken by the Governor. The LFC requested updates on the FTE and staff has followed up on the request.
DP 81 and 3706 – Expand Home and Community Services Waiver (\$1.9 million general fund, state special revenue, and federal Medicaid funds)	Provide funding to support community services for an additional 98 persons		Waiver appropriations were nearly fully expended; LFD staff has requested information about the number of additional people served and will be providing additional analysis as part of the budget analysis

## Health Resources Division

Initiative	Intent	FTE	Outcome
DPs 3192 and 3206 – CHIP Expansion to 13,900 (\$10.5 obacco state special revenue and federal CHIP grant funds)	Increase enrollment from an annual rate of 10,900 to 13,900	2.00	Enrollment increased gradually throughout FY 2006, ending at 13,158 or about 740 children shy of the goal; language in HB 2 provided funding for 2.00 new FTE to be accessed proportionally to enrollment increases
Several DPs added FTE to manage Medicaid expenditures 1) DP 38 –Manage Medicaid Pharmacy Program; 2) DP 42 – Enhance Efficiency of Children’s Mental Health Services; 3) DP 43 – Medicaid cost analysis; and 4) DP – 3605 – Additional Medicaid Management Staff (Net reduction in Medicaid benefits of \$5.2 million in FY 2006 due to anticipated savings – general fund and federal Medicaid matching funds)	Increase management staff in an effort to help control costs and foster efficiencies in the Medicaid program	13.00	Medicaid state plan services (hospital, physician, pharmacy) were projected to exceed appropriations. Cost over runs were offset through the use of state special revenue. HB 2 requested reports describing and documenting outcomes of adding staff to reduce and manage expenditures. LFD staff has requested those reports in order to more effectively evaluate the outcome of adding staff.  HB 2 included reporting requirements, which were stricken by the Governor. The LFC requested updates on the FTE and staff has followed up on the request.
DP 3302 and 3324 – Prescription Drug Program Startup (SB 324) \$1 million biennial for startup; \$14.8 million for benefits over the biennium all state special revenue from tobacco taxes	Initiative 149 (I-149) passed by voters the fall of 2004 raised tobacco taxes and allowed the funds to be used for several purposes including a drug assistance program for low-income persons	9.00	Implementation of Big Sky Rx, a program to help pay Medicare Part D prescription drug premiums for persons with incomes below 200 percent of the federal poverty level has gotten off to a slow start. Enrollment levels are substantially below those estimated during the legislative session; about \$5.3 of the \$6 million appropriated for premium assistance was reverted and not spent
DP 3667 – Implement Provisions of HB 667 (\$2.4 million over the biennium, predominantly in federal Medicaid funds, with a small amount of tobacco state special revenue to support the program FTE)	I-149 also established premium assistance and tax credits to help small employers maintain insurance	1.00	Funds to support an FTE were added so that DPHHS could develop and implement a Medicaid waiver to match state funds used to pay for the state high risk insurance pool. The waiver has been submitted for federal review
DP 3702 – Flexible Funds for SED Waiver (\$0.2 million in tobacco state special revenue and federal Medicaid funds)	Add funds to pay for services that are not Medicaid eligible in order to help keep seriously emotionally disturbed children in their home community		Funding was authorized beginning in FY 2007; LFD staff will continue to monitor and update legislators

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## 2007 Biennium New Initiative Update Section C

### Department of Fish, Wildlife and Parks

Initiative	Intent	FTE	Outcome
Fort Peck Hatchery Fish Productions (\$477,000 state special revenue per year)	Establish Fish Production at Ft. Peck Hatchery in summer of 2005. Fully funded both years of the biennium.	3.00	Construction was not completed until spring of 2006. Staff was hired in January of 2006. Hatchery is just now operational. The warm water fish stamp revenue does not raise enough revenue to sustain operations. FWP will be spending down a fund balance and raise rates in order to fund the hatchery.
Establish Regional Investigator Function (\$120,000 state special revenue per year)	Increase convictions in resource abuses and commercialized wildlife crimes.	2.00	Dept. has statistics that clearly demonstrates success with positions. 551 violations charged, resulting in \$122,775 in fines, \$85,000 in restitution, 164.5 years of suspended licenses, 1 lifetime suspension, 1 prison term.
Transition automated licensing system (ALS) to in-house personnel. (-\$168,200 state special revenue per year)	Reduce costs and gain better control over ALS system.	16.00	FWP held some positions open to achieve vacancy savings. Three positions experienced recruitment difficulties but are now hired. ALS system transitioned back to the department on schedule without major interruptions. .

## Department of Environmental Quality

Initiative	Intent	FTE	Outcome
Increase funding to the TMDL program (\$1.6 million general fund and \$3.4 federal funds for the biennium))	Increase resources to expedite TMDL completion.	5.00 4.00-T	Testified to EQC that process is moving along on schedule. A performance management report to the LFC is due in October.
Remediation Investigation for KPT/Reliance site (\$1.25 million biennial one-time-only state special revenue)	Based on the passage of SB 489 to complete study of the site by compiling all previous research & fill in data gaps, then determine options addressing potential methods for cleanup and potential cost.	0.00	Project contracted and on schedule. Issue regarding adequacy of funding the study is surfacing. DEQ contemplating billing potentially liable parties, although the gentleman's agreement was they would not. DEQ has adequate CF authority and cash to cover shortfalls.
EIS for Gallatin River ORW (\$250,000 state special revenue OTO FY 06 )	Complete EIS for ORW petition that was ordered by the Board of Environmental Review in 1998	0.00	Contractor on schedule to complete. DEQ disagreed with funding source provided by the legislature and petitioned EPA to use some federal funds, the socio- economic portion will be covered with CF authority of GF. The Board of Environmental Review heard the petition on September 15,2006.
Orphan Share allocations of \$2.0 million biennial one-time-only authority.	Process payments to two orphan share sites, Darby Lumber and CMC Asbestos in Bozeman	0.00	Not completed. The legislature has approved this appropriation for the same two sites for the last three biennia. The RIT subcommittee asked for a legislative performance audit based on this issue. The request has been prioritized by the legislative audit committee.

## Department of Livestock

Initiative	Intent	FTE	Outcome
Mobile slaughtering Facilities, SB 484 (\$46,289 of general fund)	Address access to slaughtering facilities	0.00	Rules for inspection and certification were completed. However, no applications for facilities have yet to be filed.

## Department of Natural Resources and Conservation

Initiative	Intent	FTE	Outcome
Expedite Water adjudication process (\$1.9 million of state special revenue per year.)	Expedite water adjudication process by getting it back on schedule.	39.00	EQC has had extensive oversight on this process. While there are some data base issues remaining, the work is being completed.
Provide additional resources to the initial attack program. (\$137,000 of general fund per year)	Full fund helitack capacity to reduce wildland fire costs by controlling fires at ten acres or less.	3.79	DNRC maintained a 96% initial attack rate during the FY 06 fire season. Preliminary results for FY 07 indicate an initial attach rate of 95%.
Increase county co-op funding (\$.05 M of general fund per year)	Replace aging wildland fire suppression equipment at a faster rate.	4.00	DNRC deployed an additional 15 type 6 wildland fire engines by the end of FY 06. (Photo available)

## Department of Agriculture

Initiative	Intent	FTE	Outcome
Analytical Lab enhancements for BSE testing in livestock feed. (\$338,334 one-time only general fund for the biennium)	Bring BSE tasting of livestock feed into the state lab.	2.50	FTE in place. Conventional PCR has been purchased, sample analysis has begun and is steadily increased. New FDA requirements may require additional equipment.

## Department of Commerce

Initiative	Intent	FTE	Outcome
Indian Country Economic Development Program (\$1.0) OTO	Establish grant program to promote economic development on tribal reservations.	0.00	Each tribe was awarded \$55,000 for projects. Five projects are underway at various stages. One project is completed as the Blackfeet tribe incorporated FEMA disaster training into the current firefighter program. The Salish & Kootenai proposal is on hold as Flathead Stickers and Lath is temporarily closed.
Worker Training Program (\$2.8M)	Transfer program to Commerce from Governor, provide grants for work force training that will result high-wage and high-skilled jobs.	0.00	Three contracts totaling \$0.5 million were released in FY 2006 proposing to train and additional 106 workers, currently 37 are trained and on the job. Four additional contracts have released in FY 2007 to train an additional 414 workers.

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## 2007 Biennium New Initiative Update Section D

### Department of Corrections

Initiative	Intent*	FTE	Outcome
Revocation Center @ Montana State Prison (\$5,522,120 general fund)	Develop a revocation center within Montana State Prison (MSP) to work with offenders that are non compliant with probation or parole conditions with a goal of returning these offenders to the community rather than prison	56.64 included in the budget	On December 12, 2005 a new 80 bed program called Sanction, Treatment, Assessment, Revocation and Transition (START) on the Warm Springs Campus, this program is operated by a contractor rather than with state employees, As of 9/7/06 there have been 500 admissions, 424 discharges, 293 of which returned to community placement (including boot camp)
Per Diem Rate Increases pre-release, WATCH program, regional prisons, private prison (\$1,506,426 general fund)	Provide a rate increase to contracted service providers	0.00	Increases were provided to various contractors, in some cases rate/contract negotiations resulted in rate increases above the level anticipated by the legislature
Transfer Secure Custody funding to Juvenile Division for Juvenile Delinquency Intervention Program (JDIP) (\$3 million general fund)	Return to juvenile services funding that has over the years been expended in areas other than juvenile services and thus reduced the funding for juvenile services	0.00	HB 2 language allowed this funding to be transferred and used in adult services if needed, the department transferred this funding to adult services in FY 2006 to offset the supplemental appropriation that is anticipated
Additional pre-release beds above the Executive request (\$6,371,777 general fund)	The legislature provided funding at a level greater than the executive budget to increase the number of pre-release beds, illustrating a legislative preference for community corrections alternatives to secure care placement	0.00	The department, through contracts, has increased the number of pre-release beds available, male pre-release beds have increased from 466 in FY2004 to an estimated 652 in FY 2007; female pre-release beds have increased from 110 in FY 2004 to an estimated 178 in FY 2007
Additional probation and parole staff (\$1,422,477 general fund)	Additional probation and parole officers due to increased caseload, caseload anticipated to increase from 7,000 in FY 2005 to between 7,300 and 7,600 during the 2007 biennium	15.00 in FY 2006 increasing to 19.00 in FY 2007	The department has increased the number of probation and parole officers by 23 FTE (including 4 modified positions), probation and parole caseload is not about 8,234

## Department of Justice

Initiative	Intent*	FTE	Outcome
MERLIN (Team 261) Motor Vehicle Division Automation (\$27.1 million state special revenue)	Develop and procure new information technology system for Motor Vehicle Division Functions – vehicle titling, vehicle registration, driver records and control, driver licensing	None specified	Department proceeding with staged approach, Transaction Money Manager (cash drawer functionality) has been implemented, work on registration and titling continues, work beginning on driver's licensing services. It is likely that the 2007 Legislature will be presented with a request for additional funding.
Montana Highway Patrol (MHP) pay increase (HB 35 statutory appropriation)	Provide increased wages for MHP Officers and fund additional positions, address recruitment and retention issues	205 positions impacted	Implemented as passed, pay increase provided in July, 2006 to 205 positions, also 8 positions were added under the provisions of the bill. Response to recruitment has significantly increased, but it is too early to determine impact, if any, on retention.
Forensic Scientist – Chemist (\$122,933 general fund)	Maintain staffing level - shift funding for 1.00 FTE from federal grant to general fund	1.00 FTE	Shift of funding for chemist position from federal funds to general fund allowed the department to retrain trained staff. Turnaround time for this section has decreased from 10-12 months to 5-6 weeks. The department's goal for turnaround time is 4 weeks.
Forensic Scientist – DNA/Serologist (\$122,933 general fund)	Maintain staffing level - shift funding from federal grant to general fund	1.00 FTE	DNA/Serologist – department was unable to recruit a qualified/trained individual. Position was filled with training assignment in April, 2006. Training of individual continues and should be fully completed in about 6 more months, and the department anticipated all staff will be fully trained by March/April of 2007. This section continues to have substantial backlog.
Forensic Scientist – Toxicologist (\$61,430 general fund FY 2007)	Increase staffing	1.00 FTE added in FY 2007	Staff hired in April, 2005. Resignation also occurred about this time, with that vacancy filled in May, 2006. Staff will be fully trained in about 2 months. Backlog in this area is about 6 weeks, while the department goal is 4 weeks.
Forensic Pathologist (\$317,144 general fund)	Increased staffing needed due to caseload increase	1.00 FTE	Additional Pathologist began work in September 2005. In FY 2006 the lab billed counties \$134,700 for pathologist services.

## Department of Montana Board of Crime Control

Initiative	Intent*	FTE	Outcome
Homeland Security, Law Enforcement Terrorism Prevention (\$9,310,607 federal funds)	Not specified	1.00 Program Specialist	The agency did not receive or manage any funds under this federal grant program.

## Department of Labor and Industry

Initiative	Intent*	FTE	Outcome
Independent Contractor Registration SB 108 provided for conclusive presumption regarding independent contractor exemption certificates which allow an independent contractor to opt out of workers compensation and occupational disease laws, providing authority to suspend or revoke certification, revises the dispute appeal period and repeal a requirement to report to the state compensation insurance fund. (\$1.6 million state special revenue funds)	Reduce the number of individuals inappropriately claiming independent contractor status for exclusion of worker's compensation and occupational disease requirements outlined in statute.	6.00 FTE 5 positions hired 8/05 1 position hired 11/05, position had to be readvertised	Department of Labor and Industry implemented SB 108 legislation by passing rules regarding the determination of an independent contractor. The rules require specific documentation such as business license. Each type of documentation is awarded specific points. If a person applying for the independent contractor certification can provide documentation which adds up to 15 points the certification is granted. Rules for this process were adopted by the department 8/05. The cost of the license is \$125. The division also hired 6 FTE, 5 of which are field auditors. The field auditors go to work sites and verify the status of laborers working on the site. The number of independent contractors was predicted to decrease from 33,000 licensed in a biennium to 20,000 in a biennium. The number of registered independent contractors as of 9/06 is approximately 18,700, potentially creating a revenue shortfall for the program.
Elevator Contractors, Mechanics and Inspectors Licenses SB 412 provided for rulemaking authority to the Department of Labor and Industry to authorize a limited mechanic's license and a limited elevator contractor's license, appointing a licensed elevator mechanic to the building codes council, regulate the design, construction, alteration, operation, maintenance, repair, inspection, installation, and test elevators, dumbwaiters, escalators, and other equipment. (\$85,390 state special revenue funds)	Ensure public safety by validating applicants qualifications to install and maintain elevators, dumbwaiters, and escalators.		The Department of Labor and Industry adopted rules for licensing elevator contractors, mechanics and inspectors on 2/2006. Currently 3 inspectors, 8 contractors, and 46 mechanics have been licensed. The department has also developed a process to identify unlicensed installers and mechanics through ensuring that all elevator found during building code inspections have licensed contractors installing them and licensed mechanics maintaining them.
DP 10 Board for Alternative Adolescent Residential Program HB 628 provided for a board of private alternative adolescent residential or outdoor programs, outlined board duties, required registration through the Department of Labor and Industry, and required a report to the legislature on the need for any additional regulation. (\$42,650 in state special revenue funds)	Examine the benefit of licensing private alternative adolescent residential or outdoor programs as a public service to monitor and maintain a high standard of care and to ensure the safety and well-being of the adolescents and parents using the programs.		Board members appointed 4/18/2005, began meeting 9/8/05. The board conducted 15 meetings through 9/8/06, held 2 town meetings, and 5 committee meetings. They also conducted 13 site visits. Adopted rules governing the fees, application process for program registration, board meetings and election of officers. Registered 19 private alternative adolescent programs, 3 outdoor programs, 1 faith based program choosing to join and 1 facility which had both private alternative adolescent and outdoor programs. Developed a report to the Legislative Economic Affairs Interim Committee, presented 9/06.

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## 2007 Biennium New Initiative Update Section E

### Montana School for the Deaf and Blind

Initiative	Intent*	FTE	Outcome
HB 438 - Outreach and Braille instruction services to blind or visually impaired child (\$440,000 in general fund)	1) Establish a Braille electronic equipment loan program for use by school districts 2) Expand outreach services to assist public school districts in conforming with the requirements of the Blind Persons' Literacy Rights and Education Act.	4.00 FTE Hired 8/05	1) Purchased laptop computers with screen readers, Braille software, Braille embosser, 3 closed circuit T.V. units, 2 Braille note devices. Majority purchased by 01/06. 2) 4 FTE surveyed all school districts, identified 287 visually impaired children in various school districts. Assisting school districts in developing plans to ensure compliance with Blind Persons' Literacy Rights and Education Act.

### Montana University System/Office of the Commissioner of Higher Education

Initiative	Intent*	FTE	Outcome
Governor's Postsecondary Scholarship Program (\$1.5 million in awards and \$44,000 for administration...both general fund)	To expand student aid opportunities for MT resident students with 980 scholarships (480 merit-based & 500 need-based) each academic year. Each award is renewable for each year of the 2-year or 4-year degree.	1.00 FTE to administer the program and staff Governor's Scholarship Advisory Council. Staff in place by Fall 2005	For academic year 2006, a total of 463 scholarship awards. On track for additional 480 and renewals of 463 in academic year 2007. All \$1.5 million to be allocated in awards.
Equipment Grants to Fund Two-Year Degree Programs including Community Colleges (\$3.06 million general fund - OTO)	Provide funds to assist 2-year programs acquire instructional equipment, with emphasis on "high demand" occupations. Funds distributed via competitive grants.	None...administered by existing OCHE staff.	Grant decisions were made in May 2005 and the \$3.06 million was distributed among 16 approved programs at nine institutions.
Enhancing Tribal College Programs with funding for equipment purchases and development of tribal history materials for use in Indian Education for All in K-12 schools (\$2.0 million general fund - OTO)	Funding to support documenting tribal histories for K-12 and other use. Equipment acquisition is modeled on the two-year degree program equipment grants concept, to acquire instructional equipment with emphasis on "high demand" occupations.	Project director hired at each of seven colleges to coordinate the tribal history compilation and writing, also to identify equipment needs.	All funding has been allocated equally to the seven colleges and all have submitted detailed plans and timelines for delivering tribal histories as well as priority equipment purchases.

## Montana University System (continued)

Distance Learning funding to support development and implementation of statewide/systemwide plan for delivery of distance education (\$300,000 general fund - OTO)	Most of the individual colleges and university units have created their own unique distance learning programs. This initiative was intended to create systemwide plan so that all programs have single "portal" and are fully transferable for students at all units.	1.00 FTE to administer program for all university educational units. Staff located in Office of Commissioner of Higher Education. Staff in place by fall 2005.	Statewide plan and system is being developed, with goals and measurable objectives. Includes focus on eliminating equipment duplications.
Coal and Coalbed-Methane Technology Program at the MT Bureau of Mines (\$146,880 general fund plus non-state matching funds)	Expand programs (in response to increase in requests from across Montana) to assist the industry and regulators in the responsible development of coal and coalbed methane in Montana. Program to be adjacent to water quality monitoring of the Bureau of Mines.	1.00 FTE for a coal geologist position, which was filled in April 2006, after a lengthy search process. There was difficulty attracting qualified applicants to this unique position. Also, some candidates withdrew because of lower than expected salary range.	Coal geologist position is filled and state funding has been matched by grants from the US Geological Survey and the US Department of Energy (total match \$31,869). Still seeking additional match funding of \$36,720...not anticipate problems.
Cropping Specialist Program at the MSU-Extension Service (\$65,600 general fund for FY2007 plus non-state matching funds)	Integrate with existing programs at the Ag. Experiment Station in areas of cropping system research, weed-management, and other research programs that have technical assistance opportunities for producers.	1.00 FTE for a cropping systems specialist position starting in second year of biennium. Position to be located at Huntley Ag. Research Center. Non-state matching funds (\$16,400) have been secured from federal Smith-Lever grant funding.	Search committee is in place and position has been posted and advertised. First screening deadline did not yield qualified candidates so second screening deadline of October 2006 has been set.
Livestock Specialist Program at the MSU-Extension Services (\$131,200 general fund plus non-state matching funds)	Increase educational and technical assistance to the ranching industry by enhancing reproductive efficiency, food safety, and animal identification of non-productive animals.	1.00 FTE for a livestock specialist position, with focus on beef cattle production and nutrition. Position to be located at the Fort Keogh (Miles City) Ag Research Center. Non-state matching funds (\$32,800) have been secured from federal Smith-Lever grant funding.	First search and hiring process was not successful as each of top three candidates were offered position but could not come to terms. Second search is almost complete with three new candidates being interviewed, offer expected to be made in mid-September.
New Extension Agent for Meagher County at the MSU-Extension Services (\$70,206 general fund plus local matching funds)	Extend and expand the programs and services of the MSU-Extension to one of the only Montana counties without an agent, Meagher County. Program provides technical assistance targeting economic development and agricultural assistance.	1.00 FTE for an extension service agent assigned to Meagher County, who was hired and started work on October 1, 2005. Position is matched, in part, by local voted mill-levy funds. Popular vote approved levy in summer 2005.	New agent's work time has been allocated 34% to agriculture, 33% to 4-H, and 33% to economic development. Agriculture work is currently focusing on irrigation moisture program. The 4-H work is focusing this year on foundational support for the program, including leader development and increasing attendance at out of county events. The economic development focus is on wind farm projects and the need for electricity transmission infrastructure in Meagher County.

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## 2007 Biennium New Initiative Update

### Office of Public Instruction

Initiative	Intent*	FTE	Outcome
K-12 Education Data Systems	Authorize the spending of \$2.826 million in the 2007 biennium for the development of a student database to track individual student performance.	1.0 FTE Project Manager (filled) 1.0 FTE Database Administrator (filled) 1.0 Data Resource Administrator (filled) 1.0 Student Records Manager (Recruiting)	Signed contracts with MTW Solutions for purchase of electronic grants system. Signed contract with Infinite Campus to develop Achievement in Montana system. By October 2006 will have all students assigned an ID. December 2006 – first data collection on CRT Test Summer 2007 - Submit AYP data for FY 2007 to feds using electronic grant management system Both systems are on time and within budget.
Indian Education for All	Authorize \$1.1 million for Ready to Go grants Authorize \$2.3 million for Indian Ed For All curriculum development, professional development, Public education and administration	3.0 FTE	2 rounds awarded ready to go grants to 33 districts, round 3 apps due Oct 13. Prepared new and updated materials on integrating Indian emphasis in history, government, social studies. Science still to do. Many workshops have been held to train the trainers. More are in coming. Numerous public communications have been published to let the public know about IEA. OPI has helped districts plan for IEA, and how to account for IEA. Developed a guide for evaluating IEA services.